



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each depositor insured to at least \$250,000

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## **FDIC Announces \$190 Million Settlement of Residential Mortgage-Backed Securities Claims with Eight Financial Institutions**

The Federal Deposit Insurance Corporation (FDIC) as receiver for five failed banks today announced a \$190 million settlement of certain residential mortgage-backed securities (RMBS) claims with Barclays Capital Inc.; BNP Paribas Securities Corporation; Credit Suisse Securities (USA) LLC; Deutsche Bank Securities Inc.; Edward D. Jones & Co., L.P.; Goldman, Sachs & Co; RBS Securities Inc.; and UBS Securities LLC.

The settlement resolves federal and state securities law claims based on misrepresentations in the offering documents for 21 Countrywide RMBS purchased by the five failed banks. The FDIC as receiver for failed financial institutions may sue professionals and entities whose conduct resulted in losses to those institutions in order to maximize recoveries. From November 2011 through August 2012, the FDIC as receiver for the five failed banks filed six lawsuits for violations of federal and state securities laws in connection with the sale of the 21 RMBS to the failed banks. The FDIC has filed a total of 19 RMBS lawsuits on behalf of eight failed institutions seeking damages for violations of federal and state securities laws.

The settlement funds will be distributed among five failed bank receiverships: Colonial Bank of Montgomery, Alabama, which failed on August 14, 2009; Franklin Bank, S.S.B. of Houston, Texas, which failed on November 7, 2008; Guaranty Bank of Austin, Texas, which failed on August 21, 2009; Security Savings Bank of Henderson, Nevada, which failed on February 27, 2009; and Strategic Capital Bank of Champaign, Illinois, which failed on May 22, 2009.

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Attachment: [Settlement and Release Agreement](#)



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 6,122 as of March 31, 2016. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-46-2016

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